

Labour Crisis in Aircraft Industry

combat. This means that its operating range from base is not much more than 500 miles.

The minister placed on the record today a general indication of the area which would be protected against attacks at supersonic speeds. On the other hand, we have available to us the Bomarc, whose area of defence and defensive action is not far removed from that of the CF-105, but the difference in expenditure has been clearly set out. The cost of the Bomarc missile to Canada, as compared to the \$781 million of the CF-105, is approximately \$110.8 million. That represents something that must be taken into consideration, all things being equal and the defensive properties of each being about the same.

The Leader of the Opposition mentioned a while ago, in so far as the statement is concerned, that he gave no indication of the things he generally said, and I accept that. But I think I ought to point out to him too that he gave a press conference in the city of Vancouver on September 26, and he was asked there what he thought about the CF-105. He said he was not familiar enough with the details to say if Canada was justified in apparently scrapping the CF-105 Arrow fighters. The hon. member said it appeared from the government's statement that it intended to scrap the plane after next spring. Then he said—this is not the Canadian Press report of the Edmonton speech; this is the Vancouver *Sun* report of September 26—that it would be very difficult to justify the government's action in spending about \$100 million on Arrows until next spring if it were only to keep jobs open. The hon. gentleman—

Mr. Pearson: Why did you not scrap it and save \$100 million?

Mr. Diefenbaker: —at that time—

Mr. Hellyer: Mr. Speaker, may I—

Some hon. Members: Sit down.

Mr. Hellyer: Would the Prime Minister permit me a question?

Mr. Diefenbaker: Surely.

Mr. Hellyer: The Prime Minister said that the expenditure of the Canadian taxpayers' money on defence procurement could not be justified as a make-work program, if I understood him correctly. I wonder if the Prime Minister saw Philip Deane's article in the *Globe and Mail* this morning which said that the United States government adopted the Bomarc as a weapon of North American defence, not so much because of the missile's military merits but to avoid shutting down an aircraft firm? My question is this. Does the Prime Minister think that the spending

[Mr. Diefenbaker.]

of the Canadian taxpayers' money is justified on the procurement of a United States make-work program?

Mr. Diefenbaker: Apparently the hon. gentleman has not been in here during the last while. I have been discussing that situation and I dealt with the division of responsibility as between the United States and Canada at length. In so far as Mr. Deane's article is concerned, I am not going to say it has no basis, but certainly the information that we have from the chiefs of staff is far removed from the views of Deane.

There has been much said about the tremendous surprise which arose over the fact that we acted as we did. I have not the time to quote from the various newspapers and periodicals across this country in connection with this matter. However, if the hon. gentlemen are interested, they will read in the October 25 last issue of *MacLean's* magazine a clear interpretation of the statement which I made on September 23, 1958, to which I am going to make reference. Indeed, even before that there were editorials regarding this matter. The *London Free Press* of April 28, 1958, said this:

The decision, which may be made shortly, is whether to order this aircraft into production with a view to re-equipping our first-line R.C.A.F. fighter squadrons. It is the most expensive single decision ever to confront the defence department in peacetime. Its ultimate cost would not be far short of Canada's expenditure on the St. Lawrence seaway.

That was an understatement. Then it went on on the basis of the latest estimates which were brought forward.

It may be fine for our national ego to boast that we can design and produce a fighter plane of the Arrow's undoubted capabilities, but how large a price are we willing to pay for national pride?

And the article continues in that way.

The *Victoria Times* in an editorial on October 20, 1958, said the inside story of the supersonic fighter aircraft, the Avro Arrow, "emerges from an interesting intramural dispute among the editors of *Maclean's* magazine." The article goes on to say that the decision to be made is one which has to be based on no other consideration than that of value.

The *Montreal Star* of November 13, 1957 said:

The appalling cost of this aircraft is enough to stagger government ministers and serious people everywhere. We are a middle power with a budget and an industry to match. If this alone were not enough to give us pause, there is also the fear that the dawning of the missile era has already made the Arrow obsolete. The chief reason for building the Arrow is the fleet of bombers which the Russians are known to possess. Now we are